



ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

#17 AUGUST 9, 2011

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

Los Angeles County
Board of Supervisors

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313 N. Figueroa Street, Suite 912
Los Angeles, CA 90012

Tel: (213) 240-8101
Fax: (213) 481-0503

www.dhs.lacounty.gov

*To ensure access to high-quality,
patient-centered, cost-effective
health care to Los Angeles
County residents through direct
services at DHS facilities and
through collaboration with
community and university
partners*

August 09, 2011

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

REQUEST TO ACCEPT COMPROMISE OFFERS OF SETTLEMENT (ALL DISTRICTS) (3 VOTES)

SUBJECT

To request Board approval for the Director of Health Services (Director) to accept compromise offers of settlement for patients who received medical care at County facilities. The compromise offers of settlement referenced below are not within the Director's authority to accept.

IT IS RECOMMENDED THAT YOUR BOARD:

Authorize the Director or his designee, to accept the attached compromise offers of settlement, pursuant to Section 1473 of the Health and Safety Code, of the following individual accounts:

- (1) Account Number LAC+USC MC – Various \$5,000
- (2) Account Number LAC+USC MC – Various \$5,542
- (3) Account Number H-UCLA MC – Various \$6,590
- (4) Account Number LAC+USC MC – Various \$7,500
- (5) Account Number H-UCLA MC – 297379 \$10,000
- (6) Account Number H-UCLA MC – 726159 \$32,668

Total All Accounts: \$67,300



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PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The compromise offers of settlement for patient accounts (1) - (6) are recommended because the patients are unable to pay the full amount of charges and the compromise offers represent the maximum amount the Department was able to negotiate or was offered under the legal settlement involved in these cases.

The best interests of the County would be served by approving the acceptance of these compromises, as it will enable the Department of Health Services (DHS) to maximize net revenue on these accounts.

Implementation of Strategic Plan Goals

The recommended action supports Goal 1, Operational Effectiveness, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

This will expedite the County's recovery of revenue totaling approximately \$67,300.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Under County Code Chapter Section 2.76.046, the Director has the authority to reduce patient account liabilities by the greater of i) \$15,000, or ii) \$75,000 or 50 percent of the account balance, whichever is less. Any reduction exceeding the Director's authority requires Board approval.

On January 15, 2002, your Board adopted an ordinance granting the Director authority to compromise or reduce patient account liabilities when it is in the best interest of the County to do so.

Typically, recoveries in legal settlements are divided approximately into thirds between plaintiff, plaintiff's attorney, and all medical lien holders, which would include the County's lien. Factors that contribute to each party receiving more or less than one-third of the recovery include the number of medical lien holders, the patient's attorney retainer agreement, and costs accrued by the patient during the legal process.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Maximizing net revenues on patients who received medical care at County facilities will help DHS meet its budgeted revenue amounts.

The Honorable Board of Supervisors

8/9/2011

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Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mitchell Katz". The signature is written in a cursive, flowing style.

Mitchell H. Katz, M.D.

Director

MHK:lg

Enclosures

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 1
DATE: AUGUST 9, 2011

Total Gross Charges	\$144,864	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$144,864	Date of Service	Various
Compromise Amount Offered	\$5,000	% Of Charges	3 %
Amount to be Written Off	\$139,864	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient and outpatient gross charges of \$144,864 for medical services rendered. The patient's Medi-Cal application is pending. If Medi-Cal is later approved, DHS will bill Medi-Cal and refund the settlement amount. The patient's third party liability (TPL) claim settled for \$15,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees *	\$5,000	\$3,600	24 %
Lawyer's Cost	-	-	-
LAC+USC Medical Center **	\$144,864	\$5,000	33 %
Other Lien Holders **	\$3,500	\$1,400	10 %
Patient	-	\$5,000	33 %
Total	-	\$15,000	100 %

* The attorney agreed to reduce his fee from \$5,000 (33%) to \$3,600 (24%).

** Lien holders are receiving 43% of the settlement (33% to LAC+USC Medical Center and 10% to others).

Based on DHS' outside collection agency's assessment and recommendation, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet his obligation to LAC+USC Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 2
DATE: AUGUST 9, 2011

Total Gross Charges	\$38,725	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$38,725	Date of Service	Various
Compromise Amount Offered	\$5,541.67	% Of Charges	14 %
Amount to be Written Off	\$33,183.33	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient and outpatient gross charges of \$38,725 for medical services rendered. No coverage was found for the patient. The patient's third party liability (TPL) claim settled for \$17,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$5,666.66	\$5,666.66	33 %
Lawyer's Cost	\$303.56	\$303.56	2 %
LAC+USC Medical Center *	\$38,725	\$5,541.67	33 %
Other Lien Holders *	\$9,057.75	\$4,800	28 %
Patient	-	\$688.11	4 %
Total	-	\$17,000	100 %

* Lien holders are receiving 61% of the settlement (33% to LAC+USC Medical Center and 28% to others).

Based on DHS' outside collection agency's assessment and recommendation, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet his obligation to LAC+USC Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 3
DATE: AUGUST 9, 2011

Total Gross Charges	\$50,993	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$50,993	Date of Service	Various
Compromise Amount Offered	\$6,590.23	% Of Charges	13 %
Amount to be Written Off	\$44,402.77	Facility	H-UCLA Medical Center

JUSTIFICATION

This patient was involved in an automobile versus pedestrian accident. As a result of this accident, the patient was treated at H-UCLA Medical Center and incurred total inpatient and outpatient gross charges of \$50,993 for medical services rendered. The patient has ATP with liability of \$896 for the inpatient admission. The patient's third party liability (TPL) claim settled for \$20,000 and her attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$6,666.67	\$6,666.67	33 %
Lawyer's Cost	\$152.88	\$152.88	1 %
H-UCLA Medical Center *	\$50,993	\$6,590.23	33 %
Other Lien Holders *	\$1,163.75	\$1,163.75	6 %
Patient	-	\$5,426.47	27 %
Total	-	\$20,000	100 %

* Lien holders are receiving 39% of the settlement (33% to H-UCLA Medical Center and 6% to others).

Based on DHS' outside collection agency's assessment and recommendation, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet her obligation to H-UCLA Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 4
DATE: AUGUST 9, 2011

Total Gross Charges	\$109,929	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$109,929	Date of Service	Various
Compromise Amount Offered	\$7,500	% Of Charges	7 %
Amount to be Written Off	\$102,429	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in an automobile versus pedestrian accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient and outpatient gross charges of \$109,929 for medical services rendered. The patient qualifies for Section 1011 coverage and no other coverage was found. DHS will refund any payments received from Section 1011 once payment from this settlement is received. The patient's third party liability (TPL) claim settled for \$15,000, the policy limit carried by the party responsible at the time of the accident, and her attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees *	-	-	-
Lawyer's Cost	-	-	-
LAC+USC Medical Center	\$109,929	\$7,500	50 %
Other Lien Holders	-	-	-
Patient	-	\$7,500	50 %
Total	-	\$15,000	100 %

* The attorney agreed to waive her fees for the patient.

Based on DHS' outside collection agency's assessment and recommendation, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet her obligation to LAC+USC Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 5
DATE: AUGUST 9, 2011

Total Gross Charges	\$76,148	Account Number	297379
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$76,148	Date of Service	10/9/09 – 10/17/09
Compromise Amount Offered	\$10,000	% Of Charges	13 %
Amount to be Written Off	\$66,148	Facility	H-UCLA Medical Center

JUSTIFICATION

This patient was involved in an automobile versus pedestrian accident. As a result of this accident, the patient was treated at H-UCLA Medical Center and incurred total inpatient gross charges of \$76,148 for medical services rendered. No coverage was found for the patient. The patient's third party liability (TPL) claim settled for \$27,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees *	\$10,800	\$10,800	40 %
Lawyer's Cost	\$861	\$861	3 %
H-UCLA Medical Center	\$76,148	\$10,000	37 %
Other Lien Holders	-	-	-
Patient	-	\$5,339	20 %
Total	-	\$27,000	100 %

* Attorney's fee of 40% was agreed upon in the retainer agreement between the patient and his attorney.

Based on DHS' outside collection agency's assessment and recommendation, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet his obligation to H-UCLA Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 6
DATE: AUGUST 9, 2011

Total Gross Charges	\$66,319	Account Number	726159
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$66,319	Date of Service	2/26/10 – 3/5/10
Compromise Amount Offered	\$32,667.98	% Of Charges	49 %
Amount to be Written Off	\$33,651.02	Facility	H-UCLA Medical Center

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at H-UCLA Medical Center and incurred total inpatient gross charges of \$66,319 for medical services rendered. The patient has Medicare but Medicare denied coverage. The patient's third party liability (TPL) claim settled for \$100,000, the policy limit carried by the party responsible at the time of the accident, and her attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$33,333.33	\$33,333.33	33 %
Lawyer's Cost	\$223.54	\$223.54	1 %
H-UCLA Medical Center *	\$66,319	\$32,667.98	32 %
Other Lien Holders *	\$13,654.40	\$13,654.40	14 %
Patient	-	\$20,120.75	20 %
Total	-	\$100,000	100 %

* Lien holders are receiving 46% of the settlement (32% to H-UCLA Medical Center and 14% to others).

Based on DHS' outside collection agency's assessment and recommendation, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet her obligation to H-UCLA Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.